

## Message Text

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ACTION NEA-09

INFO OCT-01 ISO-00 AID-05 EB-07 DOTE-00 COME-00 IO-10

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FM AMEMBASSY MUSCAT

TO SECSTATE WASHDC 861

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E.O. 11652: N/A

TAGS: EAID, EWWT, MU

SUBJECT: PORT MANAGEMENT COMPANY CONTRACT TERMINATED,  
BUT AMCITS MAY RETAIN PORT MANAGEMENT ROLE

REF: MUSCAT A-50 OF SEPT. 4, 1974

1. OMAN GOVERNMENT IS TERMINATING AGREEMENT FOR PORT SERVICES WITH MARINE INTERNATIONAL, WHICH UNDER SUBCONTRACT WITH UNCTAD. UNCTAD WILL ASSUME RESPONSIBILITY FOR CONTRACT DIRECTLY. TRANSITION TO TAKE PLACE AS SOON AS UNCTAD HAS REPLACEMENTS. MOST IMMEDIATE CAUSE OF SPLIT WAS RECENT MARINE INTERNATIONAL ATTEMPT TO REPLACE PORT DIRECTOR WILCOX. WILCOX'S REMOVAL WAS DEMANDED BY MARINE INTERNATIONAL'S US-BASED PROJECT DIRECTOR DAN REISS FOR FOLLOWING REASONS:

- A. INADEQUATE PLANNING;
- B. FAILURE TO ANSWER HOME OFFICE DEMANDS;
- C. FAILURE TO CONTROL OMAN PORT SERVICES COMPANY, GROUP RESPONSIBLE FOR STEVEDORING SERVICES;
- D. WILCOX ASSOCIATION WITH FIRM OF JAMES C. BUCKLEY, WHICH HAS PULLED OUT OF MARINE INTERNATIONAL CONSORTIUM.

BOTH COMMUNICATIONS MINISTER RAJAB AND UNCTAD OPPOSED REPLACEMENT AS INADEQUATELY JUSTIFIED AND UNDULY DISRUPTING.

2. MORE BASIC PROBLEM APPEARS TO HAVE BEEN BUCKLEY FIRM'S  
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WITHDRAWAL FROM CONTRACT. ACCORDING TO UNDP DEPUTY DIRECTOR

AKRAM QURSHA, THIS OCCURRED BECAUSE OF DISAGREEMENT WITH REISS ON EXTENT TO WHICH MAIN OFFICE SHOULD CONTROL FIELD ACTIVITIES AND REISS' DESIRE TO PROMOTE OTHER VENTURES WITH OMAN GOVERNMENT, NAMELY SHIPPING COMPANY, DRYDOCK, AND FISHING COMPANY.

3. APPEARS LIKELY THAT WILCOX, AND PERHAPS SOME OTHER MEMBERS TEAM, WILL BE RETAINED BY UNCTAD. AGREEMENT TO TRAIN OMANIS WITH PORT OF NEW ORLEANS, SCHEDULED TO COMMENCE MARCH 1975, UNAFFECTED ACCORDING TO QURSHA.

4. EMBASSY COMMENT: WHILE DEPARTURE US CONTRACT ENTITY UNFORTUNATE, IT APPEARS TO BE OCCURRING WITH MINIMAL DAMAGE OUR INTERESTS. AMERICANS STILL ENGAGED IN ASSISTANCE TO PORT. WITH RAJAB STILL STRONGLY OPPOSED TO EUROPEAN INVOLVEMENT IN PORT, LIKELY AMERICANS WILL CONTINUE TO CONTROL. NO EMBASSY INTERCESSION HAS BEEN SOUGHT BY ANY PARTY TO THIS PROBLEM, NOR DO WE CURRENTLY SEE ANY REASON THAT WOULD JUSTIFY IT. WOLLE

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## Message Attributes

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